

## **INITIAL STATEMENT OF REASONS**

### **CALIFORNIA SCHOOL FINANCE AUTHORITY**

#### **Article 1, Sections 10151 through 10162**

#### **Title 4, Division 15**

#### **California Code of Regulations**

### **INTRODUCTION**

The California School Finance Authority (the “Authority”) is organized and operating pursuant to Sections 17170 and 17199.5 of the California Education Code (the “Act”). The Act provides for the Charter School Facilities Program (the “Program”), a financing program to assist charter schools in developing charter school facilities, and imposes certain responsibilities on the Authority in implementation of the Program. The Program provides for \$100,000,000 to be set aside from the bonds issued under the Kindergarten-University Public Education Facilities Bond Act of 2002 (Proposition 47, passed on November 5, 2002), for the purposes of financing charter school construction projects. A charter school or a school district acting on behalf of a charter school may apply for financing under the Program to fund specified costs relating to charter school construction projects. The applicants are required to provide a local matching share of 50% that may be provided through a lump sum payment, lease payments, or a combination of both.

The Authority proposes to adopt Sections 10151 through 10162 of Title 4 of the California Code of Regulations (the “Regulations”) to implement its responsibilities pursuant to the Program. Specifically, Section 17078.57 of the Education Code requires the Authority to

“adopt regulations establishing uniform terms and conditions that shall apply equally to all projects for funding ... including, but not limited to, all of the following:

- (1) The process for determining the manner in which the applicant will pay its local matching share, including the method for determining any lease payments to be made in lieu of the local matching share. The regulations shall comply with all of the following criteria:
  - (A) The payment process set forth in Section 17199.4 may be used.
  - (B) The payment process shall permit lump-sum local matching payments and shall permit establishment of a schedule for lease payments to be made in lieu of the local matching share.
  - (C) The lease payment schedule shall be calculated by amortizing one-half of the total approved project costs, minus any lump-sum payments, over the entire payment period as set forth in Section 17078.58.
  - (D) The payment schedule for lease payments in lieu of the local matching funds pursuant to this section shall be based upon payment, within a

reasonable period of time not to exceed a 30-year period, of one-half of the total eligible project costs, and shall be calculated in a manner that is designed to result in full payment of that portion, together with interest thereon at the rate paid on moneys in the Pooled Money Investment Account as of the date of disbursement of the funding.

- (2) The method for determining whether a charter school is financially sound. In the case of a charter school chartered by a school district that is located outside of the school district that chartered it, the method developed by the authority shall include, but shall not be limited to, a site visit to the school facility currently being used by the charter school during hours when pupils are present and instruction is being provided.
- (3) (A) Security provisions, including, but not limited to, the requirement that title to project facilities be held by the school district in which the facility is to be physically located, in trust, for the benefit of the state public school system.  
(B) The authority shall adopt a mechanism whereby a person or entity who provides a substantial contribution that is applied to the costs of the project in excess of the state share and the local matching share may be granted a security interest to be satisfied from the proceeds, if any, realized when the property is ultimately disposed of as set forth in paragraph (5) of subdivision (b) of Section 17078.62.
- (4) The method for integrating funding pursuant to this article with the authority's general procedures pursuant to subdivision (i) of Section 17180 for otherwise funding projects eligible for funding under this chapter, if appropriate.
- (5) The process to be used for release of funds for approved projects pursuant to this article."

## **SECTION-BY-SECTION ANALYSIS**

### Section 10151.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act establishes the Program and requires that the Authority take certain actions in connection with the Program. Section 10151 establishes that the Regulations are intended to implement that portion of the Program that is the Authority's responsibility.

2. Specific Purpose of the Regulation.

Section 10151 establishes the purpose of the Regulations as implementing that portion of the Program that is the Authority's responsibility.

3. Necessity.

Section 10151 identifies the statutory provisions which create the program these regulations are intended to implement.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10152. Definitions

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act provides for definitions of certain terms. This regulation provides definitions for additional key terms used in other sections of the Regulations.

2. Specific Purpose of the Regulation.

This regulation provides definitions for key terms used in other sections of the Regulations.

3. Necessity.

This regulation provides definitions for key terms used in other sections of the Regulations to ensure uniformity application of the Regulations.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10153. Application

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act provides that the State Allocation Board (the "Board") determines which applicants are eligible for participation in the Program. Prior to the Board's determination, the Authority must advise the Board of whether each applicant is financially sound. This regulation provides that applicants for financing in the Program must concurrently with their application to the Board, complete the Authority's application.

2. Specific Purpose of the Regulation.

This regulation establishes that the Authority has an application separate from the Board's and that the Authority's application must also be submitted for the application to be considered. This regulation also allows the Authority to seek further information if necessary.

3. Necessity.

This regulation is necessary to ensure that applicants are aware that they must also complete the Authority's application with the required information. In addition, by requiring that the Authority's application be submitted at the same time as the Board's application, this regulation ensures that all required information is provided in a timely manner – an important factor considering the short time frames involved in reviewing and approving applications.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

The Authority discussed incorporating its application requirements into the Board's application. Based on information provided by the Board, this alternative was not considered feasible. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

## Section 10154. Financially Sound Determination

### 1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act requires that the Authority establish criteria for determining whether a charter school is a financially capable concern and, therefore, financially sound. (Education Code section 17078.52(c)(4).) This regulation addresses the criteria the Authority will utilize to determine whether a charter school is a financially capable concern and, therefore, financially sound.

### 2. Specific Purpose of the Regulation.

This regulation defines what is necessary for a charter school to demonstrate that it is a financially capable concern and also defines the requirements for an application for construction of a new school. This regulation limits the minimum factors the Authority will consider in determining whether a charter school is financially sound. In addition, this regulation establishes that site visits may be performed by the Authority, that the Authority may consider any information brought to its attention by specified public education agencies, and that the Authority will make a financial soundness determination prior to the preliminary apportionment by the Board and again before the final apportionment by the Board.

### 3. Necessity.

The Act requires that the Authority establish criteria for determining whether a charter school is a financially capable concern and, therefore, financially sound. This regulation satisfies that requirement.

### 4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

### 5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

### 6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the

Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10155. Preliminary Application Information.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act requires that the Authority determine whether a charter school is financially sound before the Board makes its preliminary apportionment determination. (Education Code section 17078.53(d).) This regulation addresses the information an applicant must submit for the Authority's consideration when making its determination regarding financial soundness.

2. Specific Purpose of the Regulation.

This regulation outlines the information an applicant must provide to the Authority when it submits its application for financing. This regulation also states that where a charter school is governed by any of a group of specified public educational agencies, the charter school may provide alternative information if it provides justification for not having the specific information requested.

3. Necessity.

This regulation is necessary to provide to applicants an outline of the specific information needed by the Authority when making determinations regarding financial soundness. If an applicant does not provide sufficient information, that determination will be difficult to make. In addition, because of the short time frames involved in reviewing and approving applications, it is necessary to ensure that all required information be provided at the outset of the review process.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10156. Method of Determining Whether a Charter School is Financially Sound.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act requires that the Authority adopt regulations that address, among other elements, the method for determining whether a charter school is financially sound. (Education Code section 17078.57(a)(2).) This regulation establishes that method.

2. Specific Purpose of the Regulation.

This regulation establishes the method by which the Authority will determine whether a charter school is financially sound.

3. Necessity.

This regulation is necessary to satisfy the Act's requirement that the Authority adopt a regulation that addresses the method for determining whether a charter school is financially sound.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.



The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10157. Final Application Information.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

Proposed section 10154 provides that the Authority will render a decision regarding the financial soundness of a charter school before it receives its final apportionment from the Board. It is possible that the preliminary apportionment may take place at least three years before a charter school receives its final apportionment. This regulation addresses the fact that an applicant will need to update the information it submitted prior to the preliminary apportionment to allow the Authority to have up-to-date information on which to base its decision prior to the final apportionment.

2. Specific Purpose of the Regulation.

This regulation outlines the requirements for updated information an applicant must submit prior to the final apportionment.

3. Necessity.

This regulation is necessary to clarify that the information requirements for the Authority to make its financial soundness determination prior to final apportionment are somewhat different than the information requirements prior to the preliminary apportionment.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10158. Payment of Local Matching Share.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act requires that the Authority adopt regulations which address, among other elements, the method process by which applicants pay their local matching share. (Education Code section 17078.57(a)(1).) This regulation establishes that process.

2. Specific Purpose of the Regulation.

This regulation establishes the process by which applicants pay their local matching share.

3. Necessity.

This regulation is necessary to satisfy the Act's requirement that the Authority adopt a regulation which establishes the manner by which applicants pay their local matching share.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10159. Security Provisions.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act requires that the Authority adopt regulations which address, among other elements, security provisions. (Education Code section 17078.57(a)(3).) This regulation

addresses the security provisions applicable to school districts and persons or entities which may make a substantial contribution to the costs of a project.

2. Specific Purpose of the Regulation.

This regulation addresses the nature of title in project facilities and the manner in which any person or entity which makes a substantial contribution to the costs of the project in excess of the state share and local matching share may be granted a security interest in the project.

3. Necessity.

This regulation is necessary to satisfy the Act's requirements that the Authority adopt a regulation which addresses security provisions.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10160. Reporting and Default Provisions.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

Proposed section 10158 provides that the Authority will prepare a lease agreement on behalf of the Board for applicants receiving a final apportionment. This regulation addresses provisions that must be included in any such lease agreement.

2. Specific Purpose of the Regulation.

This regulation is intended to list the minimum requirements for any lease agreement between an applicant and the Board upon final apportionment. This regulation includes provisions for monetary penalties for late payments, amendments to leases due to financial hardship, and the effect of a charter being revoked or not renewed.

3. Necessity.

This regulation is necessary to inform applicants of the minimum requirements for the lease agreement they will be required to enter into upon receipt of their final apportionment.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should

result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10161. Integrating Funding.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act requires that the Authority adopt regulations that address, among other elements, the method for integrating funding with the Authority's general procedures contained in Education Code section 17180(i). (Education Code section 17078.57(a)(4).) This regulation establishes that method.

2. Specific Purpose of the Regulation.

This regulation establishes that the Authority must consider any request submitted by the Board or an applicant to utilize the funding mechanisms contained in Education Code section 17180(i).

3. Necessity.

This regulation is necessary to satisfy the Act's requirement that the Authority adopt a regulation addressing the method by which funding may be integrated with the Authority's general procedures contained in Education Code section 17180(i).

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.

Section 10162. Release of Funds.

1. Public Problem, Administrative Requirement or Other Condition or Circumstance that the Regulation is Intended to Address.

The Act requires that the Authority adopt regulations to address, among other elements, the method by which funds will be released. (Education Code section 17078.57(a)(5).) This regulation establishes that process.

2. Specific Purpose of the Regulation.

This regulation establishes that the process for release of funds is that contained in the Board's regulations, commencing with section 1859.90 of Title 2.

3. Necessity.

This regulation is necessary to satisfy the Act's requirement that the Authority adopt a regulation which addresses the process for release of funds.

4. Technical, Theoretical and/or Empirical Studies, Reports or Documents.

The Authority did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the adoption of this amended regulation.

5. Alternatives to the Regulation Considered by the Agency and the Agency's Reasons for Rejecting Those Alternatives.

No other alternatives were presented to or considered by the Authority. This regulation is necessary to implement statutory requirements.

6. Alternatives to the Proposed Regulatory Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought the attention of the Authority that would lessen any adverse impact on small businesses. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools

throughout the state since the intent of the Program is to provide financing for charter school facilities.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

This regulation does not impose any significant adverse economic impact on any business. In fact, adoption of the regulation and implementation of the Program should result in greater opportunities for expansion for charter schools throughout the state since the intent of the Program is to provide financing for charter school facilities.